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July 14, 2000

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JUL 17 2000

DIVISION OF
OIL, GAS AND MINING

Mr. Anthony Gallegos
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Mr. Will Stokes
Utah School and Institutional Trust Lands Administration (SITLA)
675 East 500 South, Suite 500
Salt Lake City, UT 84102

Mr. Sal Venticinque
Project Manager
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)
Request to Perform Water Well Testing (Drilling) - Fall 2000
Lisbon Valley Project**

Gentlemen:

Per recent phone conversations, Lisbon Valley Mining Co. LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM), the Utah School and Institutional Trust Lands Administration (SITLA), and the Bureau of Land Management (BLM) to access and drill up to fourteen (14) groundwater exploration/development holes at the Lisbon Valley Project. The purpose of these wells is to confirm the presence and amount of groundwater, and to assist in the design of an appropriate groundwater supply system that was contemplated in the approved Groundwater Appropriations and the Lisbon Valley Project Environmental Impact Statement. The proposed activities are located on/in Sections 23, 25, 26, & 36, Township 30 South, Range 25 East; and Section 6, Township 31 South, Range 26 East.

Recent exploration at the site reveals that overland travel/trail access disturbances from blading and brush clearing only impacts a 16-foot width or less on average. Access to three (3) of the proposed drill sites will be via existing trails and roads. Access to eleven (11) sites will require 1,700 linear feet of overland tracking with 1,700' x 16' = 27,200 sq. ft., or **.625 acres**. The fourteen (14) sites will require a 32' x 50' site to be cleared for drilling, mud pits, and support vehicles. The estimated disturbance at the drill sites will impact up to 22,400 sq. ft., or **.515 acres**. The total projected impact of the proposed program is **1.14 acres**. A map of proposed access routes and drill sites is provided as **Attachment 1**.

Drilling depths will vary from 400 feet to 1,200 feet. Drill holes will be 4 3/4 inches in diameter (5 inches for reclamation/bonding purposes).

Mr. Tony Gallegos
Mr. Will Stokes
Mr. Sal Venticinque
July 14, 2000
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The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). Minor earthmoving equipment (dozer and/or backhoe) will be needed for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within previously approved mine related activities.

Following completion of the drilling activities, the areas will be cleaned up. Cuttings will be shoveled back down the holes and the sites will be graded, contoured, and seeded (during the proper planting season). Groundwater is expected to be encountered in all fourteen (14) of the groundwater exploration/development holes. If encountered, this will require a bentonite seal (plug) upon abandonment. For reclamation and bonding purposes, Summo has projected a maximum total of 5,650 feet of bentonite plugging for this proposal. Reopened access trails will also be graded, contoured, and reseeded. All support equipment and supplies will be removed from the site. A summary of each drill hole access disturbance, proposed depth, and estimated groundwater impact is provided in **Attachment 2**. An estimate of reclamation costs for bonding purposes is provided in **Attachment 3**. All conditions attached to previous drilling efforts will be complied with.

Summo has completed the majority of site reclamation (grading, contouring, and hole plugging) for exploration activities performed during 1999/2000. The only remaining activity to be performed on the 1999/2000 Programs is reseeding, which is scheduled for next fall (2000).

Summo wishes to begin drilling by early September. Once you have reviewed and approved the proposed plan, I will prepare and submit the necessary Reclamation Contract. In the interest of time, Summo may elect to submit a Cash Bond while a Surety Bond is being processed. Summo will request release of the Cash Bond once the Surety Bond is filed. If you have any questions regarding this request, please contact me at the listed letterhead number.

Sincerely,

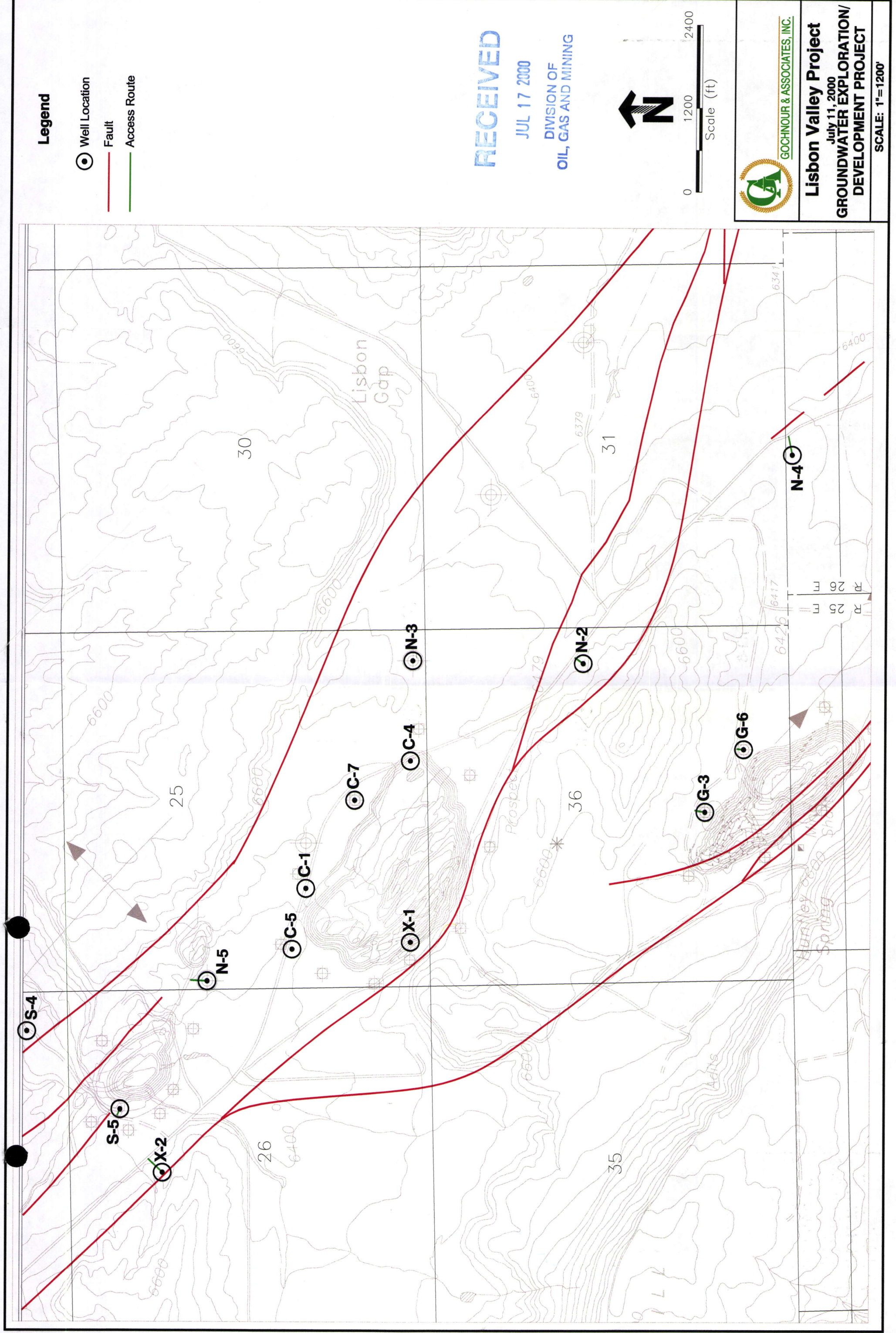


Lee "Pat" Gochnour
Consultant to Summo USA Corporation

Attachments (3)

cc: Bob Prescott - Summo

Attachment 1
Map of Proposed Exploration Plan



Legend

- Well Location
- Fault
- Access Route

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DIVISION OF
OIL, GAS AND MINING



0 1200 2400
Scale (ft)



GOCHNOUR & ASSOCIATES, INC.

Lisbon Valley Project

July 11, 2000
**GROUNDWATER EXPLORATION/
DEVELOPMENT PROJECT**

SCALE: 1"=1200'

Attachment 2
Summary of Drill Holes

Attachment 2

LISBON VALLEY COPPER PROJECT Water Well Test East Drilling

Site	Location		Access		Drill Footage	
	Land/Claim	Quarter Section	Existing	Track (ft.)	Groundwater	Total Depth
C-1	BLM/Sentinal 1	SW 1/4 Sec 25, T30S, R25E	No	100	150	400
C-4	BLM/RP 54	SE 1/4 Sec 25, T30S, R25E	No	100	150	450
C-5	BLM/Sentinal 1	SW 1/4 Sec 25, T30S, R25E	No	60	180	400
C-7	BLM/Alpha 6	SW 1/4 Sec 25, T30S, R25E	No	140	165	450
S-4	BLM/RP 74	SE 1/4 Sec 23, T30S, R25E	Yes		650	750
S-5	BLM/Sentinal 10	NE 1/4 Sec 26, T30S, R25E	No	200	300	400
G-3	State	SW 1/4 Sec 36, T30S, R25E	No	150	150	450
G-6	State	SE 1/4 Sec 36, T30S, R25E	No	100	150	450
N-2	State	NE 1/4 Sec 36, T30S, R25E	No	100	900	1200
N-3	BLM/RP 42	SE 1/4 Sec 25, T30S, R25E	Yes		630	1000
N-4	BLM/Security 14	NW 1/4 Sec 6, T31S, R26E	No	400	950	1200
N-5	BLM/Sentinal 5	NW 1/4 Sec 25, T30S, R25E	No	100	840	1000
X-1	BLM/Alpha 2	SW 1/4 Sec 25, T30S, R25E	No	250	375	600
X-2	BLM/KWR 5	NE 1/4 Sec 26, T30S, R25E	Yes		60	280
Totals			3	1700	5650	9030

Attachment 3
Reclamation Costs

Attachment 3

Reclamation Cost Estimates

Bentonite Plugging - up to 5650 feet (5" hole)	@ \$3.00 per foot	\$16,950.00
New Access Road Reclamation - 1,700 linear feet	@ \$1.25 per linear foot	\$2,125.00
Drill Site Reclamation - 14 sites	@ \$150 per site	\$2,100.00
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TOTAL		\$21,175.00